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DIA and DOS review(s) completed.

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GENERAL

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1. US accepts delay on UN armed forces--The State Department has advised Stettinius that it does not desire to press the Soviet Government for submission of the Soviet paper on the principles governing UN armed forces [redacted] A slight additional delay "would not be entirely unwelcome to the US in view of the Department's uncompleted discussions with Senate leaders on special agreements and on the size of the US contingent.
- [redacted]

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3. Qavam removes Ala as UN delegate--Ambassador Allen reports that Qavam (a) has ordered Ala to return to his post at Washington and (b) will designate a new representative to appear before the Security Council should one be needed.

EUROPE-AFRICA

4. FRANCE: Communist forecast of 2 June election--According to Caffery, the Communist Secretary-General of the CGT believes that the 2 June elections will not substantially change (a) the number of Assembly seats now held by the Communist Party, or (b) the political balance of power between the Socialist and Communist Parties on the one hand, and the remaining parties on the other.

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5. ITALY: Referendum expected to reject monarchy--[redacted] the 2 June referendum on the Italian Monarchy is expected to result in a majority of one to two million in favor of a republic (out of an estimated 21 million valid votes). Monarchist chances have been improved by the abdication of Victor Emmanuel and by the recent trend of international affairs which has increased popular fears of Communist and

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Soviet influence in Italy. However, Key believes that the pro-Republic stand of the major Italian parties will be decisive.

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6. USSR: Soviets reportedly expect to have atomic bomb next year--
The Military Attache in Paris has heard [redacted] of a recent Soviet directive to top commanders which states that (a) the Soviets will have full knowledge and partial use of the atomic bomb by the middle of 1947, (b) in view of the "most precarious condition" of discipline in scattered units throughout the Red Army, Soviet commanders are instructed to "weed out" unreliable elements to insure rigid discipline in all units by 1948, and (c) Soviet Government and Communist political activities outside the USSR can be adjusted to local circumstances until 1948. (The implication, according to the Military Attache, is that the Soviets do not wish to provoke a critical situation before 1948.)
7. YUGOSLAVIA: Government demands US and UK cease air operations--
The Yugoslav Government has demanded (a) that the US and UK cease operation of all military and diplomatic aircraft in Yugoslavia by 1 June; and (b) that the US Embassy radio in Belgrade cease operations immediately.
- US Military Attache Belgrade asserts that compliance with the demands would isolate completely all military and Embassy personnel and deprive them of adequate rations, medical care and means of diplomatic and intelligence correspondence.
- Embassy Belgrade proposes to notify the Yugoslav Government that, pending a reply to the US proposal for a bilateral air agreement, the US cannot withdraw ATC personnel and equipment by 1 June. (The UK already has submitted a similar note to the Yugoslavs). The Embassy further recommends that unless the US receives assurances of the maintenance of unrestricted air communication with Belgrade, the Yugoslav Government be informed that the new US Ambassador will not present his credentials and the Yugoslav representative in Washington will not be received.

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8. SAUDI ARABIA: Disillusionment with US-- Minister Eddy reports that the Saudi Arabian Government believes it is useless to discuss any "specific lines of cooperation" with the US as long as "the atmosphere is clouded by grave distrust of the basic US policy in the Middle East." Eddy adds that the Arabs (a) regard the recent request for consultations on the Palestine report as "the worst injury to date," and (b) intend to "determine a Palestine policy for themselves."

FAR EAST

9. KOREA: US Consulate in Soviet zone--On 28 May Ambassador Smith requested the State Department to take no action with regard to closing the Soviet Consulate at Seoul [redacted] until he had received a reply from the Soviet Government as to the opening of the US Consulate at P'yongyang. Smith's "guess" after a conversation with Molotov, is that "we may get an affirmative reply."
10. KOREA: Pauley Mission departs for North Korea--Byrnes has informed Embassy Moscow that Pauley and 26 members of his mission planned to leave Seoul for P'yongyang on 29 May. Pauley expects to work out an agreement on his itinerary with General Chistiakov and has suggested that the State Department continue to press the USSR to extend the length of the visit and to permit splitting the mission into groups. Other members of the mission are to proceed to Mukden on 31 May to start operations in Manchuria.

Ambassador Smith reports from Moscow on 28 May that the Soviet attitude towards the Pauley mission reflects irritation in the Soviet Army, which obviously has been objecting to the mission. Smith believes that Pauley will be given "his minimum of five days" to visit plants and economic facilities.

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THE AMERICAS

11. **BRAZIL: Reluctance to grant fifth freedom rights--**Ambassador Daniels reports that Brazil has informally revealed great reluctance to conclude a bilateral civil aviation agreement with the US.
12. **ARGENTINA: American subsidiary expropriated--**Messersmith states that an American subsidiary power plant valued at nearly five million dollars has been expropriated by the Santa Fe Provincial Government although Peron had previously informed company officials that he did not favor expropriation.

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